



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Interim Chief Executive Officer

July 8, 2015

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To: Mayor Michael D. Antonovich
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From: Sachi A. Hamai
Interim Chief Executive Officer

WASHINGTON, D.C. UPDATE - PURSUIT OF COUNTY POSITION ON LEGISLATION TO DESIGNATE RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER AS A REHABILITATION INNOVATION CENTER

This memorandum contains a pursuit of County position to support legislation, such as S. 1168 (Kirk, R-IL) and H.R. 2292 (Olson, R-TX), bills that contain provisions which would designate the Rancho Los Amigos National Rehabilitation Center as a rehabilitation innovation center.

Background

There currently are a select group of inpatient rehabilitation facilities, including the County's Rancho Los Amigos National Rehabilitation Center ("Rancho"), which performs key roles in providing rehabilitation care to individuals with complex brain injuries, strokes, spinal cord injuries, burns, and complicated traumas and in advancing the field of rehabilitative medicine.

This year, two identical bills, entitled the "Preserving Rehabilitation Innovation Centers Act," have been introduced that would designate such rehabilitation facilities as rehabilitation innovation centers, which would qualify for higher Medicare payments if the Secretary of Health and Human Services (HHS) determines that they merit higher payments to cover their additional costs for complex care to Medicare patients, research, and training. Before making such a determination, HHS is required to conduct a study to determine whether there should be an increase in Medicare payment rates to cover such additional costs. The County's Department of Health Services (DHS) believes that Rancho would qualify as a rehabilitation innovation center under the bill's definition of such centers.

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The Senate version (S. 1168) of the Preserving Rehabilitation Innovation Centers Act was introduced by Senator Mark Kirk (R-IL) and co-sponsored by Senator Durbin (D-IL) on April 30, 2015. The House companion bill (H.R. 2292) was introduced by Representative Pete Olson (R-TX) on May 13, 2015, and has five co-sponsors, including three Democrats. The Senate bill was referred to the Finance Committee while H.R. 2292 was referred to the Committees on Ways and Means and Energy and Commerce. Hearings have not yet been scheduled on either bill.

This year's bills are similar to legislation, also entitled the Preserving Rehabilitation Innovation Centers Act, which was introduced as S. 1220 (Kirk, R-IL) in 2013, and which was drafted by Senator Durbin (D-IL) in 2012. The previous legislation was supported by the County, pursuant to a Board-adopted motion to support legislation which would designate Rancho as a rehabilitation innovation center. S. 1220 died in December 2014 when the 113th Congress ended. However, the explanatory statement to the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235) includes language on rehabilitation innovation centers that urges HHS to evaluate the Medicare prospective payment rate "with the goal of maintaining these centers of excellence and continuing the high quality of care provided by these centers."

Pursuit of County Position on Legislation

The Department of Health Services and this office support legislation, such as S. 1168 and H.R. 2292, because it could result in increased Medicare payments to cover the cost of complex patient care, research, and training provided at Rancho. **Therefore, unless otherwise instructed, pursuant to the Board-adopted motion of May 22, 2012 to support Federal legislation which would designate the Rancho Los Amigos National Rehabilitation Center as a rehabilitation innovation center, the County's Washington, D.C. advocates will support legislation, such as S. 1168 and H.R. 2292, which would designate the Rancho Los Amigos National Rehabilitation Center as a Rehabilitation Innovation Center.**

We will continue to keep you advised.

SAH:JJ:MR
MT:lm

c: All Department Heads
Legislative Strategist